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14 UNITED STATES BANKRUPTCY COURT

15 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION  
16

17 In re  
18 PG&E Corporation,  
19 and  
20 PACIFIC GAS AND ELECTRIC  
COMPANY,  
21 Debtors.  
22

Case No. 19-30088-DM

Chapter 11  
Lead Case, Jointly Administered

**FULCRUM CREDIT PARTNERS, LLC'S  
AND TUSCAN RIDGE ASSOCIATES'  
RESPONSE TO REORGANIZED  
DEBTORS' "SUPPLEMENTAL STATUS  
REPORT"**

23 ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
24 ☒ Affects both Debtors

25 \*All papers shall be filed in the Lead Case,  
26 No. 19-30088-DM,  
27  
28

Date: December 1, 2021  
Time: 10:00 a.m.  
Place: (Tele/Videoconference  
Appearances Only)  
Courtroom 17  
450 Golden Gate Avenue  
San Francisco, CA 94102  
Judge: Hon. Dennis Montali

1 Fulcrum Credit Partners, LLC and Tuscan Ridge Associates, LLC (collectively “Fulcrum”)  
2 respond as follows to the Reorganized Debtors’ Supplemental Status Conference Statement [Dkt.  
3 No. 11627] (the “Supplemental Report”).

4 As a preliminary matter, Fulcrum objects to the Supplemental Report as PG&E’s untimely  
5 attempt to supplement its briefing on Fulcrum’s Motion for Relief From Plan Injunction, to  
6 Compel Arbitration and/or for Abstention [Dkt. No. 11066] and the Reorganized Debtors’  
7 Objection to Proof of Claim No. 58562 filed by Fulcrum Credit Partners LLC as Transferee of  
8 Tuscan Ridge Associates, LLC [Dkt No. 11288]. There is no update or change in status reported  
9 in the Supplemental Report; rather, it is a transparent attempt to reargue their position. Because of  
10 the filing, however, Fulcrum feels compelled to respond briefly.

11 Fulcrum takes exception to PG&E’s (repeated) suggestions to this Court that Fulcrum has  
12 misrepresented anything regarding the cost estimate. As Fulcrum’s counsel stated at the previous  
13 hearing, those cost estimates are based on the condition of the Property when PG&E vacated – as  
14 is apparent on their faces, the original estimates *are dated in late February and March 2019*,  
15 before ECC set foot on the property, and accordingly they do not include the cost for any damage  
16 that was caused by ECC’s use. The updated cost estimate by SierraWest was based on the same  
17 data as the original estimates, but was prepared by a professional cost estimator and verified using  
18 industry standard tools. In short, to be perfectly clear, Fulcrum is not seeking damages for  
19 anything that happened on the Property after PG&E vacated.

20 PG&E has nevertheless argued that it is entitled to some proportionate reduction of the  
21 cost estimate based on ECC’s subsequent use; its counsel argued at the previous hearing that this  
22 Court must determine the percentage of that reduction. While Fulcrum strongly urges that the  
23 express condition precedent to any such reduction did not occur, even if this Court determines that  
24 a proportionate reduction is appropriate, the denominator will need to be determined- and it is  
25 crystal clear that the parties agreed and intended that be done through arbitration. This is not only  
26 a useful exercise, but a necessary one- and it will not interfere with this Court’s determination of  
27 PG&E’s (or Fulcrum’s) legal positions.

28 Contrary to PG&E’s assertion, Fulcrum has no thought that the arbitration would result in

1 an award in place of or in disregard of this Court's rulings on the merits. However, Fulcrum does  
2 assert that PG&E has dragged out a resolution of this matter for an unconscionably long time, and  
3 it respectfully requests that this Court grant its motion to allow the restoration costs to be  
4 liquidated so that this Court is in a position to enter such orders as it finds appropriate based on  
5 those estimates, at the earliest possible date.

6  
7 DATED: November 29, 2021

ALSTON & BIRD, LLP

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9 By: /s/ Diane C. Stanfield

10 DIANE C. STANFIELD

11 Attorneys for Fulcrum Credit Partners, LLC  
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